

MENTAL HEALTH AND DISABILITY SERVICES COMMISSION

January 19, 2012, 9:30 am to 3:00 pm

Altoona Public Library

700 8th Street S.W., Altoona, IA

MEETING MINUTES

MHDS COMMISSION MEMBERS PRESENT:

Neil Broderick

Lynn Grobe

Jan Heikes

Richard Heitmann

Chris Hoffman

David Hudson (by phone)

Cindy Kaestner (by phone)

Linda Langston

Gary Lippe

Zvia McCormick

Laurel Phipps

Susan Koch-Seechase (by phone)

Dale Todd (by phone)

Jack Willey

Craig Wood

MHDS COMMISSION MEMBERS ABSENT:

Senator Merlin Bartz

Lynn Crannell

Richard Crouch

Senator Jack Hatch

Representative Dave Heaton

Representative Lisa Heddens

Gano Whetstone

OTHER ATTENDEES:

Theresa Armstrong

Bob Bacon

Dave Basler

Teresa Bomhoff

Diane Diamond

Connie Fanselow

Kris Graves

Todd Lange

Liz O'Hara

Kelley Pennington

Mary Peterson

Rhonda Shouse

Rick Shults

DHS, MHDS, Community Services & Planning

U of Iowa, Center for Disabilities & Development

ChildServe

Iowa Mental Health Planning & Advisory Council

DHS, Targeted Case Management

DHS, MHDS, Community Services & Planning

Iowa Mental Health Planning & Advisory Council;

Iowa Advocates for Mental Health Recovery (IAMHR)

Office of Consumer Affairs; IAMHR

U of Iowa, Center for Disabilities & Development

Magellan Health

DHS, Mental Health & Disability Services

Iowa Mental Health Planning & Advisory Council;

Office of Consumer Affairs

Administrator, DHS Division of MHDS

WELCOME AND CALL TO ORDER

Chair Jack Willey called the meeting to order at 9:45 a.m. Quorum was established. Jack led introductions of commission members and guests. No conflicts of interest were declared for this meeting.

APPROVAL OF MINUTES

Chris Hoffman made a motion to approve the December 1, 2011 meeting minutes as presented. Jan Heikes seconded the motion. The motion passed unanimously, with David Hudson, Cindy Kaestner, Susan Koch-Seechase, and Dale Todd participating by phone.

DISCUSSION OF LETTER TO LEGISLATIVE COMMITTEE

Jan Heikes and Craig Wood shared handouts of initial language drafted for writing a letter to the members of the Legislative Interim Committee. Craig explained his point of view on the first issue, property tax relief funding and the interpretation of Iowa Code Section 426B.2. He said that in view of the Governor's budget, which proposes to eliminate property tax relief, it is even more important that the Code provision is understood. He said it appears that the provision would have to be repealed if the State intends to take property tax relief and apply it to the State Medicaid match, because it currently says that the funds shall not be used except as provided for in Chapter 426B. Craig noted that Section 426B.1 says \$88 million from the general fund is appropriated on July 1st of each fiscal year to the property tax relief fund, and that has not been done for the last two years. In each of those years, the amount has been reduced by 10 percent as a result of overall budget reductions.

Craig said he sees the crux of the issue as related to the language of Section 426B.3, which says the county auditor is to reduce the certified budget amount by an amount equal to the amount the county will receive from the property tax relief fund. If the property tax relief amount has been reduced (by 10%) to an amount less than the previous year, then the auditor should be reducing the levy by that lesser amount. Yet, the interpretation by the Department of Management (DOM) has been that counties must reduce the levy by the full amount of property tax relief even though they did not receive that much because the law still says the appropriation is \$88 million.

In response to a question, Craig clarified that this is a State appropriation that is distributed to the counties. When this provision went into effect in 1997, counties were required to reduce their levy dollar for dollar and required to show that on their property tax levy. For the last three years, they have reduced the levy more than the amount of actual property tax relief received. Craig indicated that he thinks the provisions need to be evaluated and he sees it as a Commission issue because Section 426B.4 states that the Commission is to consult with county representatives and the DHS director in "prescribing forms and adopting rules" to administer Chapter 426B.

Jan Heikes outlined the second issue, relating to the county property tax service funds and levy and other provisions of the Iowa Code which have been repealed effective July 1, 2013. Jan noted that it appears the redesigned MHDS system will need the \$122.6 million that currently comes from county property taxes to be viable. There is an open question about whether money for MHDS system services will continue to be generated by county property tax dollars or another source; it is important to start making those decisions.

Jan said it is also critical that lawmakers address the existing inequities in property tax rates from county to county if they will be expected to pool their funds, either actually or virtually, to form regional entities. Some counties will have negative fund balances and it will need to be determined how those will fold into a regional fund pool. Jack Willey said those were questions discussed during the Regionalization Workgroup meetings, but not answered.

Gary Lippe said he had some concerns that the first issue reflects a county perspective and that he would like to see a more balanced approach. He said he would like to hear from Rick Shults or others at DHS on their perspective and if it makes sense to them. It would also be helpful to get the DOM perspective on their interpretation of the Code. He said he agrees the second issue needs to be addressed and would encourage moving forward on that.

Chris Hoffman indicated he thinks that funding is the major issue that will either make or break mental health reform this year and it is important not to wait too long to ask the questions.

Linda Langston proposed acting on each issue separately. Linda made a motion that a letter be drafted to the Legislative Interim Committee members with regard to the first issue on the property tax relief. Laurel Phipps seconded the motion. Gary Lippe voted against; all other members present voted to approve.

Linda Langton made a second motion to draft a letter to the Legislative Interim Committee members with regard to the second issue addressing a uniform levy rate and the sunset provisions, and encouraging them to work with the Commission. Lynn Grobe seconded the motion. All members present voted to approve.

Jan Heikes and Craig Wood will work with Connie Fanselow on finalizing the language, and Jack will approve and sign as Chair. Craig and Neil Broderick will deliver the documents to the Thursday morning meeting of the legislative group next week.

Rick Shults said the goal of the Thursday morning meetings is communication. They have indicated they plan to have an unofficial draft of proposed legislation by next week's meeting and a bill draft two weeks from today.

MHDS UPDATE

Theresa Armstrong shared an update on MHDS activities:

Chapter 24 (Accreditation) – Theresa said that Chapter 24 rules need to be re-written. There are many provider concerns and there are aspects of redesign that will affect the current rules. Research is being done on national accreditations and how to align State rules with them, as well as what other states are doing. They are looking at how to address crisis services and if Chp. 24 standards can do that. She said they will also be reaching out to provider groups and working to align with IME (Iowa Medicaid Enterprise) and others. Preliminary talks with the Department of Public Health (IDPH) have started. The vision is to make rules and standards all work together and support quality assurance.

PASRR (Pre Admission Screening and Resident Review) – On January 9th Ascend Management, the contractor for PASRR Level 2 screenings, also started doing the Level 1 part of the screening using a web-based system that is available 24 hours a day. This means that hospital personnel need to enter information into the online system; it is all very new and they are dealing with issues related to the change. Prior to this, the Level 1 screening was often done by the nursing facility after placement was made, but the federal rules are very clear that it must be done prior to nursing facility placement, so Iowa had to come into compliance with those rules. For individuals who are seeking to enter a nursing facility, but not coming from a hospital discharge, the nursing facility can conduct a screening before admission.

Individuals with mental illness or intellectual disabilities can be admitted to a nursing facility if they can be appropriately served there and the facility can meet any specialized needs they have related to their mental health condition or disability. Part of the process is looking at whether people really need to be in a nursing facility for medical reasons.

Rick Shults added that because of incidents in recent months, an issue has also arisen related to individuals who are on the sexual offender registry and are admitted to nursing homes or residential care facilities (RCFs). The Governor has taken the position that we need to be open and transparent, and that facilities who accept people on the registry must notify other residents and the community. It is incumbent on the nursing facility to make sure the people they serve are safe at all times for whatever reason. A facility can refuse admittance.

Linda Langston asked if Rick expects that the Legislature will look at designating different levels of sexual offenders. Rick responded that there may be some discussion of establishing specialized facilities for particular types of offenders.

DHS BUDGET

Rick Shults shared some highlights of the DHS budget, noting that legislative session has just gotten started. The Governor has recommended his budget to the Legislature; it is the second year of a 2-year budget. Some funds have already been appropriated. DHS as a whole received 48% of all budgetary increases. Some of the DHS funding comes from a special fund called the CHIP contingency fund. Iowa has applied for and received \$26.3 million in contingency money to overcome shortfalls in CHIP (the Children's Health Insurance Program). It is one-time federal money with no strings attached except that it cannot be used as a federal match. Rick said that money is sprinkled throughout the budget.

- The MHIs (Mental Health Institutes) and juvenile facilities received what was requested to maintain the status quo.
- CCUSO (Civil Commitment Unit for Sexual Offenders) is experiencing faster growth than anticipated. The census was expected to reach 90 by the end of this fiscal year, but it is already at 90 and there are at least 11 commitment hearings scheduled in the next 6 months. DHS does not control admissions; when people are court committed to the program, they must be admitted. The rate of discharge is much slower than the rate of admission. Some adjustments will be necessary to address the problem in fiscal year 2012 and something more will be needed in fiscal year 2013.
- The Glenwood and Woodward State Resource Centers had requests to provide additional funding for their FMAP increases; that request was only partially funded.
- The rest of DHS funding remains fairly steady with last year.

Included in the Governor's budget recommendation for Fiscal Year 2013 are some Medicaid cost-savings measures. Rick indicated that the Medicaid budget will be tight; it has been funded at the low end of the cost projection. ARRA (American Recovery and Reinvestment Act) funding has gone away, and Iowa's match rate for federal Medicaid dollars has increased because Iowa is doing better economically than many other states. The current FMAP (Federal Medical Assistance Percentage) rate is 38.8% and will be going up to 40.13% for the next year. It will be a challenge to provide more state funding to pay the Medicaid match.

MHDS REDESIGN UPDATE

Rick shared a handout on Mental Health and Disability Services Redesign [MHDS Redesign: The DHS Response to Governor's Budget Recommendation], noting that the Interim Legislative Committee adopted the DHS report. The draft bill that is expected next week will primarily address policy issues; appropriations will be addressed later in the session by the appropriations committees. We are moving forward with mental health and disability services redesign. The handout provides a brief overview of how the Governor's Budget fits with the DHS Redesign plan. While it was recognized that a funding problem would be coming in 2013, redesign is beginning a year sooner than

originally envisioned. Senate File 525 anticipated a start date of July 1, 2013. The Governor has endorsed the concept of beginning sooner.

The Governor's Budget Recommendation (GBR) for FY 2013 contains \$30 million for MHDS Redesign coming from several different places:

- \$17,750,000 in State General Funds
- \$11,250,000 from the Balancing Incentives Payment Program (federal funds)
- \$1,000,000 from Magellan Claims Recovery

The GBR proposes to use the funds as follows:

- \$26,100,000 to "buy down" the counties' share of non-federal Medicaid costs
- \$500,000 for children's health homes to support children who are now placed out of state (to be matched with 90% federal Medicaid funds)
- \$3,000,000 for standardized assessments
- \$400,000 for limited staffing and other administrative costs related to Redesign

In addition, \$500,000 in one time dollars from the CHIP Contingency Fund has also been identified to provide technical assistance to the newly forming regions. It is not included in the \$30 million total because it is one-time money.

The "buy down" would provide funds for the state to pay the non-federal share of Medicaid for:

- Intellectual Disabilities Waiver
- Habilitation
- Targeted Case Management
- Nursing Facilities for Persons with Mental Illness
- Money Follows the Person
- Brain Injury Waiver
- 88% of the non-federal cost of ICFs/MR

Counties would still be responsible for approximately 12% of the non-federal share of the cost of Intermediate Care Facilities for Persons with MR (ICFs/MR) and all payments for the State Resource Centers (SRCs) under the Governor's Budget Recommendation for FY 2013. The handout Rick shared show how the phase-in of new critical core services in the DHS plan could be modified to fit the GBR.

BALANCING INCENTIVES PAYMENT PROGRAM

The GBR includes \$11,250,000 from the Balancing Incentive Payment Program (BIPP), which is a new initiative by the federal government that requires states make three fundamental changes in how they do business to bring into balance the amount of money they are spending on community-based services versus institutional services. States are eligible if they now spend more on institutional than community-based services. Community-based services do not include the State Resource Centers or ICFs/MR. The federal incentive is an additional 2% Medicaid match. The incentive continues through FY 2015.

Iowa has been spending about 60% on institutional and 40% on community-based. The current forecast for FY 2013 is already moving in the right direction, and should be about 56/44.

The BIP Program requires states to develop:

- No-wrong door, single point of entry to access the system
- Core standardized assessment instruments
- Conflict free case management

Rick said there is still work being done on what it means to have conflict free case management, but essentially, there needs to be assurance that the case manager does not dictate where the individual gets services; individuals need to have a real choice of providers.

Craig Wood asked if the 2% increased Medicaid match applies to all services or just community-based services. Rick responded that it just applies to community-based and noted that the “buy down” in FY 2013 is the first step of relieving counties of providing the non-federal share of Medicaid. Craig commented that the Governor’s proposal reduces the counties ability to pay for non-Medicaid expenses of \$114 million, yet in FY 2011 it was actually \$153 million. He said services have already been reduced to get to the \$144 million amount reflected on the handout and the GBR would be another \$30 million short. Craig said he thinks county services will be severely reduced in FY 2013 under this budget and he doesn’t think it makes sense to do that just to restore them again in FY 2014.

Rick said he would encourage people to look at this as a process. The Governor is obligated to submit a balanced budget to the Legislature. Recognizing that we started with a \$56 million “cliff” from the increased costs of Medicaid, which is not associated with Redesign. The point of showing the different scenarios in this way is to show legislators what the choices are and how the funding relates. There are already legislators who recognize this challenge and are talking about ways to address it. We are also using numbers that are now quite old, which were put together from county reports that are now about a year old. Information is now coming to light that suggests we need to update numbers. It also should be acknowledged that these are statewide numbers, not county-by-county, and some counties will be much more adversely affected than others.

Linda Langston said she would like to see DHS and the Commission work together to communicate the variation on impact for individual counties to the Legislature. When county fund balances are aggregated, the totals look okay, but when they are broken down by county, the numbers look very different.

Craig Wood commented that the counties that will be okay are those that are using their funds for Medicaid match and not providing the core non-Medicaid services that Redesign is intended to achieve. Rick said he is not convinced there is a direct

correlation between the use of Medicaid and the delivery of critical core services; many of the core services, such as crisis services, are funded both by Medicaid and non-Medicaid funds.

Craig said he is very concerned about FY 2013, and he thinks non-Medicaid services are in danger of being cut dramatically. He said in FY 2014, the Affordable Care Act (ACA) will make a big difference, but we have to get to 2014.

Jan Heikes commented that she see counties as split. She said for counties like hers, which spend 70% of their budget on Medicaid match, will have more money to spend on non-Medicaid services. For counties that have been spending more on non-Medicaid, the money will tighten drastically. Rick acknowledged that we need to look at the differential impact on counties and the allocation of resources.

Under the GBR:

- \$171 million in State funds would go to Medicaid match (rather than to the counties)
- \$12.3 million from the General Fund now used to fund the State Payment Program (SPP) would go to Medicaid match and SSP would be funded by the federal Social Services Block Grant (which currently goes to the county)
- Of the \$59.8 million in county tax funds (that would have gone to Medicaid):
 - \$21.3 million would go to Medicaid match
 - \$38.5 million would go to non-Medicaid services

Currently the State is looking at \$87.5 million to fund non-Medicaid expenditures; under the Governor's Budget Recommendation, that increases to \$113.6 million. Medicaid doesn't go up, it just gets funded from a different source and whatever savings are realized go to pay for non-Medicaid services. The handout also show scenarios for the DHS Plan and how the phase-in of critical core services from FY 2013 to FY 2017 can be modified to fit the GBR. This illustrates that the plan is flexible and can accommodate different approaches. The next step is to update information and see if that changes any of the assumptions that we have made up to this point.

Chris Hoffman asked if jail diversion programs could be Medicaid funded. Rick responded that at least some services connected with a jail diversion concept could be Medicaid funded and we could take advantage of those that fit into Medicaid.

Richard Heitmann expressed interest in learning more about the concept of conflict free case management. Rick responded that more information is available on the CMS (Centers for Medicare and Medicaid) website [cms.gov]. Jan Heikes indicated she could share that information with the Commission.

David Hudson asked how much more than the Governor's budget it would take to meet the recommendations of the workgroups. Rick responded that they didn't recommend any specific funding level, but that DHS calculated it would take an additional \$21 million to fully buy out the county's share of Medicaid in one year.

NEXT STEPS

Jack Willey commented that he hears very mixed discussions going on in the counties. Last month we talked about the resolution passed by the Supervisors Affiliate of ISAC (Iowa State Association of Counties) and most of the answers to the issues in the supervisors' resolution would have been addressed if they had read the Regional Workgroup section of the final Redesign Report. Jack said the supervisors have another meeting coming up on February 9th and since the Commission has endorsed the Redesign he thinks it is important to communicate to the supervisors some of the benefits so they understand both the positives and the negatives. Jack said he knows there are a lot of people concerned about change and the prospect of pooling funds and it is extremely important that the whole message gets out to those who don't have county representatives coming to meetings.

Linda Langston said she hopes that more people can be encouraged to get involved and be part of the process. Linda proposed that Jack talk to Linda Hinton at ISAC and find out if they would be willing to email a letter from Jack on behalf of the Commission to all the supervisors, and perhaps copies to CPCs. The message would be that the Commission worked on Redesign, is committed to it, and encourages everyone to learn more about what is going on and what is happening at the Legislature. Commission members, by consensus, recommended that Jack contact ISAC and reach out to all supervisors, encouraging them to attend the affiliates' meeting on February 9 and learn more about Redesign.

PUBLIC COMMENT

Teresa Bomhoff commented that the Mental Health Planning Council and the Olmstead Consumer Task Force have also voiced their support of Redesign.

Bob Bacon encouraged Jack to share the fact that he had reservations about the redesign at first, but changed his mind after becoming involved in the process. He also suggested finding a person among the supervisor group who was not involved in the workgroup process but might be open to the discussion and inviting him or her to join the panel discussion.

A Lunch break was taken at 12:15 p.m.

The meeting resumed at 1:10 p.m.

CHANGE AGENT TRAINING WITH DR. CHRISTINE CLINE

Dr. Chris Cline engaged in Change Agent training with Commission members by phone and webinar connection.

Jan Heikes indicated she had wanted Chris to talk to the Commission to help them think about things that they need to educate themselves on and how they can help in moving

the system down the road: What best practices should be supported and advocated? What will need to be happening over the next couple of years that people might not be able to see yet?

Successful Redesign starts with:

- Great conceptualization
- Reasonable time frame
- Commitment to muster resources

Think about:

- How do we make sure regions have the capacity to do all the things they need to do?
- What is it that the Commission can do to be helpful to all the developing structures?
- What policy revisions need to be made?
- How can we work together to help each other figure things out?
- How can the Commission contribute to the creative energy and hard work needed?
- How can we support the evolution of local systems of care?
- What is it that would encourage the entity to establish a partnership in the regional network?

How can we contribute?

- Highlight strengths
- Use partnerships
- Concept of partnership is critical in redesign
- Advisory bodies can influence systems
- The style with which you go about things is critical
- Model the culture you want in the in the process of redesign
- Pay particular attention to what people are experiencing
- People and families who use the system should experience a sense of partnership
- Provide guidance about what you want the actual change culture to look and feel like
- Avert confusion and misdirection
- Be constantly informed and re-informed by the experiences and feedback of those who use the system
- Focus on outcome measures and the use of performance contracting
- As a Commission think about the most important outcomes you want to see across the system

Regionalization issues:

- How do advisory boards relate to the regions?
- How do the regions relate to the State?
- How do we set performance measures?

- Contractors need to be involved in the discussion about what the performance measures should be
- Don't undo what works
- Need to develop structural support
- Everything that we do should work toward creating the outcomes we want
- Give some clear guidance on what their structure and function should be
- Acknowledge that the work that has been done matters and is valued
- The whole process of evolution should be reinforcing
- Emerging entities should sit down and find their own strengths to bring to the table
- What do we have going?
- What do we want to build?
- Look at it cooperatively
- How does the regional structure leverage the best care and services for people?

Opportunities for the Commission being a collective change agent:

- Can model what the whole system should achieve
- Be clear about your own role
- What are we going to say?
- How are we going to say it?
- To whom are we speaking?
- How often are we saying it?
- Create talking points for each Commission member to have
- The more organized you are, the more efficient you are
- Think about the process as beginning with ourselves
- Implementation is going to be happening with every single person who is talking, doing
- Create a sense of safety
- Highlight what is happening in terms of creating positive partnerships, not emphasizing reservations
- What you tend to grows; what you ignore shrinks
- Tend to those things that are working
- Practice partnership
- Be accountable to the set of values you share
- Even if we didn't have a Redesign Report, the Commission would have a role in helping all the systems make progress
- Which pieces of the report make good sense to us right now?
- Link our vision with our message
- Are we having the intended impact?
- Are people getting the message?
- Is the message being understood?
- Are they able to do anything with it?
- How can we influence the entire system of care in a way that will make a difference?

- We need to see what the real data is showing us
- Can't really operate a system on anecdotal information
- All of the entities can learn from one another
- The success of quality improvement depends on working together

DISCUSSION:

- Encourage people to think about specifics they would like to see in the plan and give their input to Legislators.
- I would like all the regions to work on being welcoming, empathic, and hopeful, and helping people with complex needs get what they need, where they show up so they can move on with their lives.
- I'd like to look at the Commission's as an advocate in developing the recommendations and the concept of regions with the public and those who have not been directly involved in the process.
- Counties are not all onboard, and some of them don't know much about what has been happening.
- Workgroups tried to focus on being aspirational rather than purely operational. There are still a good many unknowns and distrust between counties and legislators. Anything we can do to inform people and relieve uncertainties and anxiety is helpful.
- In the end the thing that helps people move from where they are to where they want to be is to engage in active conversation and really talk to each other.
- Decision makers at the county level have continued to hear that the system was broken and needed to be fixed, yet many of them say it was never broken, it just lacked the resources that the State had promised to provide. That makes them very frustrated.
- We don't have one system; we have a whole lot of loosely connected systems and this can be an effort to bring them all together.

Ways to stay involved:

- Meeting with legislators
- Bringing personal stories
- Having regional meetings to inform more people
- Attending Thursday morning legislative group meetings
- Attending ongoing workgroups meetings (Workforce, Data, Outcomes and Performance Measures, Children's Services, Brain Injury, and Judicial)

DISCUSSION:

- It would be helpful if some of the Legislators who are on the Commission and the Committee would be willing to go out to meetings in the six service areas.
- One of the issues is that when people ask questions, we often don't have answers for them. If we want to share information, we need to make sure we have accurate knowledge to share.
- All entities need to be at the table to start working out the details.

- Even people who oppose it should come to the table and be part of the discussion.
- We have to realize that the challenge of building a comprehensive system will be difficult.
- It is not a broken system – it just is not a system.
- It is very easy for people to get defensive about maintaining the status quo.
- The discussion should be strength based. The “broken” talk needs to be healed. We can do a lot to improve the system, but the Governor and Legislature have to be on board with funding.
- We know there are already serious financial concerns and we need to articulate that FY 2013 is going to be a financial disaster is nothing is done.
- Consumers won’t be any better off if there is still not enough funding to support what they need.
- Some of the trust issues will go away if there is adequate financing.
- The Commission’s message should be that we want to partner with supervisors and others and have a conversation.

PUBLIC COMMENT

No public comment was offered.

The next Commission meeting will be held on February 16, 2012 at the Altoona Public Library.

The meeting was adjourned at 3:00 p.m.

Minutes respectfully submitted by Connie B. Fanselow.